

REQUEST FOR PROPOSALS
FOR A
WIND ENERGY PROJECT
NEAR NORRIS, MT
MADISON COUNTY



STATE OF MONTANA
DEPARTMENT OF NATURAL RESOURCES AND
CONSERVATION

TRUST LAND MANAGEMENT DIVISION

August 21, 2007

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GENERAL INFORMATION

1. DESCRIPTION OF SOLICITATION

1.1 Introduction

The Department of Natural Resources and Conservation (DNRC) Trust Land Management Division requests proposals from wind energy project developers for the development of wind exploration and energy facilities to be located on state school trust lands. The state school trust lands covered in this Request for Proposals (RFP) are listed in Section 1.2.

The DNRC seeks proposals from experienced wind project developers capable of designing, constructing, financing, and operating a commercial-scale wind energy facility. To receive serious consideration, proposals must also incorporate state-of-the-art measures to minimize impacts to the environment.

1.1.1 Site Visit

Applicants interested in visiting the site should contact Craig Campbell at the DNRC Bozeman Unit Office, 2273 Boothill Ct. #110, Bozeman, MT 59715; Phone (406) 556-4507; Email address, ccampbell@mt.gov.

1.1.2 Legal Access to Property Restricted

Applicants should be advised that public access to the property may or may not exist. If no public access exists, access for applicants would need to be arranged by the applicant through an adjacent landowner.

1.1.3 This RFP is in 3 Phases

Phase I:

Cover and Title Page (Sect. 3.1).

Developer Experience and Project Participants (Sect. 3.2).

Project Summary (Sect. 3.3).

Site Control/Access (Sect. 3.4).

Compensation to the State (Sect. 3.5).

Highest legitimate bidder will be invited to submit information required in Phase II.

Phase II:

Environmental Review, Key Permits (Sect. 4.1).

Demonstration of Financial Ability (Sect. 4.2).

Receipt of Bid Deposit (Sect. 4.3).

Phase III:

Project Description (Sect. 5.1).

Project Site and Expansion Potential (Sect. 5.2).

Site Control (Sect. 5.3).

Project Output (Sect. 5.4).

Wind Resources (Sect. 5.5).

Major Equipment (Sect. 5.6).

Transmission Availability and Electrical Interconnection (Sect. 5.7).

Environmental Review, Key Permits (Sect. 5.8).

Schedule (Sect. 5.9).

If the DNRC determines the proposal is responsive and meets minimum criteria, a land use license will be offered to allow the developer access and development rights to the parcel(s), and upon completion of the elements of all three phases and an acceptable environmental review through the MEPA process, a lease will be offered to the developer.

DNRC reserves the right to reject any or all proposals. If for any reason at any time the DNRC determines a RFP and subsequent RFP response is no longer in the best interest of the DNRC or the school trusts, the RFP process may be terminated.

1.2 Trust Lands Offered for Wind Energy Project

County:

Madison County

Location:

T4S R1W Section 16, Lot 1, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$

T4S R1W Section 22

T3S R1W Section 2, Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$

T3S R1W Section 9, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$

T3S R1W Section 10, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

T3S R1W Section 15, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$

T3S R1W Section 16, E $\frac{1}{2}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

T3S R1W Section 36

T2S R1E Section 8

T2S R1E Section 10

T2S R1E Section 16

T2S R1E Section 18, Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$

T2S R1E Section 20

T2S R1E Section 30, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$

T2S R1W Section 12

T2S R1W Section 14

T2S R1W Section 16

T2S R1W Section 23, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$

T2S R1W Section 24

T2S R1W Section 32, SW $\frac{1}{4}$

1.3 Contents of this Request for Proposals

This RFP consists of a statement of Project Requirements and a Response Format. The statement of Project Requirements describes the features the DNRC seeks in wind project proposals, the criteria that will be used to evaluate them, and other considerations. The Response Format describes the contents and format required for the technical and cost proposals.

Objectives

DNRC's objectives in issuing this RFP are:

- To lease state trust lands for wind exploration and new commercial-scale wind facilities;
- To generate income for state trust beneficiaries that reflects fair market value of the use of trust lands for wind energy development;
- To achieve commercial operation of the wind projects as soon as possible, with minimal impacts to the environment.

This solicitation is not aimed at research, development, or demonstration projects.

1.4 Solicitation Schedule

The schedule for this RFP is as follows:

August 21, 2007Publish Request for Proposals.

September 4, 2007Deadline to submit questions and request RFP clarification to DNRC.

September 14, 2007DNRC provides answers to question to the entire distribution list.

September 25, 2007Phase I proposals are due by 5 p.m. Mountain Time.

September 28, 2007Public Bid Opening, 2 p.m., DNRC Bozeman Unit, 2273 Boothill Ct., #110, Bozeman, Mont.

To be determinedPublic Bid Scoring, 2 p.m., DNRC Bozeman Unit, 2273 Boothill Ct., #110, Bozeman, Mont. (Tentative pending additional information from respondents, if needed).

To be determinedPhase II proposals are due.

To be determinedPhase III proposals are due.

1.5 Where to Send Proposals; Deadline for Receipt

Submit **five paper copies** of the proposal to the address shown below:

MADISON COUNTY WIND PROJECT SEALED COMPETITIVE BID
DNRC
Attn: Craig Campbell
2273 Boothill Ct., #110
Bozeman, MT 59715

Also provide a CD containing the proposal to: Craig Campbell. Electronic file(s) must be in Microsoft Word and Excel files.

All proposals must be received before 5 p.m. Mountain Time on September 28, 2007, Tuesday, to receive consideration.

1.6 Withdrawal and Modification of Proposals

Bidders may withdraw their proposal and submit a revised proposal prior to the response deadline. After the response deadline, bidder-initiated changes will not be accepted. Bidders may withdraw their proposal from consideration at any time, however, bidders participating in Phase II and beyond will be required to submit a bid deposit of \$1,000. See [section 4.3](#).

1.7 Confidential or Proprietary Information.

The DNRC will not accept proposals or other documents that are marked to indicate the **entire document** is the confidential or proprietary information of the sender or that restricted handling is required. If the bidder considers information to be confidential or proprietary, those portions

of the proposal must be clearly marked “Confidential” on every page. The compensation to the DNRC referenced in section 3.5 of this RFP may not be marked confidential.

1.8 Communication

All communication with the DNRC related to this RFP must be sent by email to the following address: ccampbell@mt.gov.

Parties who request a copy of the RFP or send email regarding the RFP will be placed on an email distribution list. Questions and requests for clarification regarding the RFP – and DNRC responses – will be distributed to everyone on the email distribution list.

2. RESPONSE FORMAT

2.1 Introduction

This section contains the instructions for preparing the Technical Proposal. If more than one proposal is submitted, each must be submitted as a separate proposal that includes the requested project information. A minimum set of mandatory information is required to ensure an adequate description of the proposed work. A prescribed format for the proposal is given to facilitate preparation and evaluation.

The merits of a proposal depend on: (1) how well the proposal demonstrates understanding of and meets the DNRC's objectives and requirements as described in the Project Description; (2) the bidder's qualifications; and (3) the bidder's responsiveness to the technical proposal preparation instructions, which follow. Additional material may be presented beyond that requested only if it is necessary for clarification of the proposal. Elaborate proposals, lengthy discussions, and non-critical attachments are discouraged.

2.2 Proposal Details and Format

The proposal presents the bidder's plans for the project based on the concepts given in the Project Description, the details requested below, and how the bidder expects the project to proceed.

The proposal must be organized and have the requested information in the sequence presented below. Sections must be numbered and identified as given below. Additional subsections may be defined if they will help present and identify important material. If a requested item is not known or is not applicable, please indicate that in the applicable section of the proposal. Please note that if an applicant has questions or seeks clarification regarding the RFP, there is a question and answer period in which all questions from applicants will be collected and the answers provided to all RFP applicants. Relevant documents may be cited, but copies are not expected to be included as part of the proposal at this time unless specifically requested.

Proposals must be typed single space on 8.5x11 inch paper with each page numbered. Proposals must also be submitted electronically on a CD. Respondents should ensure electronic files are in Microsoft Word or Excel. Please include the CD within the submission envelope.

2.3 Response Detail

Responses to Phase I and Phase II should be clear and concise, designed to convey intent and the basic concept of supporting information.

Responses to Phase III should be in-depth. For example, if a statement in Phase II was made indicating that officials from the U.S. Fish and Wildlife Service believe the proposed wind development will be clear of any avian concerns, Phase III would include specific information and supporting documentation from the USFWS clearly supporting the statement made in Phase II.

The DNRC may request additional information at any time to fully evaluate a proposal. Information or required details may be sought from the applicant in the form of additional written material or oral presentation that will expand upon the original material presented in the proposal.

2.4 Proposal Evaluation Process

The public is permitted to attend the RFP response opening. No award will be made at the RFP response opening. One or more state employees will open the responses. Members of the public, including respondents, can view all proposals with the exception of any pages/paragraphs marked confidential. Copies of proposals (except confidential information) will be made at a cost of \$1 per page according to ARM 36.3.1003 (36) and payable in advance. Copies will not be provided in electronic format.

Each proposal received on time will be reviewed and scored by a panel of state personnel, some of which may be from agencies other than DNRC, and consultants/contractors if applicable. Proposals will be screened to determine if they contain the requested information in the required format. Proposals that meet these criteria will be designated *responsive* and proceed to the next level of evaluation. Proposals that do not meet these criteria will be designated *non-responsive* and receive no further consideration.

Responsive proposals will be evaluated and ranked according to the criteria found in Phase I; Section 3 of this RFP. The public is permitted to attend the RFP response scoring meeting. Notice of the RFP response scoring meeting date and location will be posted on the DNRC web site prior to the meeting.

2.5 Developer Selection and Contract Award Process

The responsive proposal with the best overall score will move into the contract negotiation stage. If no proposals are deemed satisfactory, DNRC may return all proposals and issue a new solicitation.

The top ranking bidder will be contacted to confirm details relative to their Technical Proposal, development schedule, and compatibility with the DNRC's decision-making schedule. A letter of intent to enter into contract negotiations will be sent to the bidder. Best faith efforts will be made at this stage by the DNRC and the selected respondent. If this is not possible within 90 days of issuing the letter of intent, the proposal may be eliminated and the process may be repeated for the next qualified proposal.

2.6 Threshold Requirements

Proposed projects must meet the following threshold requirements. Proposals that do not meet these requirements will be rejected.

Phase I, II and III

1. The proposal must be received before the response deadline, adhere to the Response Format, and contain all of the requested information.

Phase III

1. The developer must demonstrate site control by providing copies of wind leases on adjacent lands or other evidence that the developer has secured all land and access rights needed to construct and operate the facility for the term of the lease.
2. Output from the facility must be delivered to a transmission line that has sufficient capacity to transmit it and has firm and or non-firm transmission rights available or already in the applicant's name. Transmission considerations are discussed in [section 6.2](#) of this RFP. The applicant must demonstrate that the above is possible or necessary steps will be taken to acquire and accomplish the requirement.
3. The developer must provide estimates of hourly, daily, and monthly power production, as further described in the Response Format section of this RFP.

Phase II and III

4. The developer must be willing to cooperate in the environmental review required under the Montana Environmental Policy Act (MEPA). MEPA requires state agencies to consider the environmental impacts of any major decision before making an irretrievable commitment of resources. The MEPA process is described in [section 6.3](#) below. Costs associated with the development and completion of MEPA will be assessed to the applicant.

PHASE I

3. TECHNICAL PROPOSAL

3.1 Cover and Title Page

Put the name of the project, company name, date of the proposal, the person(s) responsible for the proposal preparation, and all co-sponsors currently in the project. The cover shall include the legend “Technical Proposal for Evaluation Purposes by, or on behalf of, the Department of Natural Resources and Conservation.” Number each copy on the cover.

Clearly show that this is the Technical Proposal Phase I on both the cover and title pages. Number each copy of submitted proposals as 1 of **N**, where **N** is the total number of copies submitted. Submit **five paper copies** of the proposal to the address in section 1.5.

3.2 Developer Experience and Project Participants

Include background information indicating why the proponent is qualified to respond to the RFP.

Identify the organizations and key personnel responsible for implementing the project. Identify the project manager, his/her tenure, and scope of responsibility.

Identify the management structure and key managers who will be responsible for the following technical work area:

- Project wind resource assessment and energy projections.
- Power plant design, engineering and construction specifications.
- Interconnection and substation design.
- Project environmental assessments.
- Permits and related approvals.
- Power plant construction and commissioning.
- Power plant operations.
- Power plant maintenance.

Include a brief description of the direct wind power and other relevant experience of the key personnel for their responsibility area listed above.

Identify contacts and references (name, title, address, telephone and fax numbers, and email) knowledgeable about the previous wind project experience of the key participants in the project.

Discuss any known and planned relationships with other utilities, developers, vendors, subsidiaries and others that will participate in the planning, development or operational phases of the project. This does not include ad-hoc project consultants or contractors.

Identify the wind power related consultants and contractors you expect to use on the project.

Discuss who will be responsible for the routine operation and control of the wind plant, their qualifications, and when they will assume that responsibility.

Identify third parties, if any, which will be used to finance the project. Discuss the assurance of such support.

3.3 Project Summary

Summarize the project, including key elements such as the approximate location of towers on the site, turbine make, type and nameplate power production capacity, number of towers, amount of power to be generated. Minimum acreage per section is 160 acres.

3.4 Site Control/Access

Provide documentation of ownership status of roads used to access the project sites contained in the proposal and evidence that the respondent has secured access across any private property necessary to access state land.

3.5 Compensation to the State

The applicant must detail the annual planned compensation to the DNRC for the ground lease of state school trust land. The minimum annual bid is as follows:

3.5.1 Exploration and Secured Development Rights

Wind exploration \$2.00 per acre per year, with a minimum of 160 acres secured per section.

3.5.2 Installation Fees

Minimum one time installation fee equal to \$2,000 per megawatt of installed capacity.

3.5.3 Operating Fee

Three percent (3.0%) of gross annual revenues, or \$2,500 for each megawatt of installed capacity annually, whichever is greater.

3.5.3.1 Definition of "Gross Annual Revenues"

The fair market value of electricity produced upon the leasehold, or all compensation received by the lessee for the production of electricity and its attributes, whichever is greater. Payments received by or on behalf of the Lessee from a utility or from any other person or entity for electrical generating capacity and for electricity sold to a utility or to any other person or entity by the Lessee which is generated from the normal and intended use of the wind power facilities

constructed by the Lessee and located on the state trust land. Revenues shall be determined as measured at the interconnect to a utility transmission system of another purchaser of electrical energy, without deduction of offset of any kind, including all revenues from green tag/certificated, pollution or environmental credits or offsets. For the purpose of computing gross revenue from green tag/certificates, pollution or environmental credits or offsets, the lessor's portion will be based on a ration of the total energy produced at the lease premises to the total energy produced at the wind project. For the purposes of computing gross revenues all electricity generated at the lease premises that is donated or bartered electricity or non-electric products shall be valued at the rate of its most recent prior sale by the lessee, or prevailing commercial rates, whichever is higher. This also includes payments to the Lessee by an insurer or by the manufacturer of any wind turbine generator, which are made specifically in lieu of revenues as defined above.

3.6 Proposal Evaluation

Phase I – 350 points maximum.

1. Compliance with the threshold criteria in [section 2.6](#): responsive / non-responsive
Proposals that do not satisfy the threshold criteria will not receive further consideration.
 2. Compensation to the State: 100 points
The response with the highest compensation to the State will score 100 points, other responses with lower compensation amounts will score less than 100 points. Responses not meeting the minimum compensation amounts specified in section 3.5 will not receive further consideration.
 3. Site Control/Access: 100 points
 4. Proven capability to build and operate large-scale wind energy facilities: 150 points
Point Breakdown:
 - Key managers experience of 10 or more years: 50 points
 - Key managers experience of 3-5 years: 20 Points
 - Relationships with other developers, vendors, contractors: 50 Points
 - Planned relationships with other developers, vendors: 20 Points
 - Power purchase agreement (PPA) and relationships with utilities: 50 points
 - Plan to develop PPA and relationships with utilities: 20 points
 - No PPA or relationships: 0 points
- Total:** 350 points

The proposal evaluation panel may determine that additional information is needed to fully evaluate a RFP response. Information or required details may be sought from the applicant in the

form of additional written material or oral presentation that will expand upon the original material presented in the RFP response.

Following review of the information contained in Phase I responses; the highest legitimate bidder will be invited to submit the information for Phase II. See [section 2.5](#) for more detail on the selection process.

At this point the DNRC will determine the successful respondent and offer that respondent a land use license for "Exploration and Secured Development Rights." The respondent will be offered a lease for wind power development, pending successful completion of phases II and III, and of an environmental analysis of the actions proposed.

PHASE II

4. TECHNICAL PROPOSAL

4.1 Environmental Review, Key Permits

Discuss known environmental issues relative to the development and operation of the project, including avian issues and baseline noise levels. If possible, provide a copy of an up-to-date listing of candidate, listed, and proposed endangered or threatened species habitat in the proximity of the project. This listing can be obtained from the U.S. Fish and Wildlife Service.

Provide copies of any wildlife or other environmental studies that have been performed related to the project. If such studies are in progress, describe them and identify the person(s) or firm(s) doing the studies including name, title, address, telephone and fax numbers, and email.

Describe measures that will be taken to minimize the potential for avian mortality, noise, and visual impacts of the facility.

Identify the key permits (such as a conditional use permit or site certificate) required to build and operate the project. Discuss their current status, the schedule for obtaining key permits and approvals, and the approach to be used. Include this schedule in the schedule requested in [section 5.9](#).

Outline the process you plan to follow to involve local residents in the planning/permit process.

4.2 Demonstration of Financial Ability

Information submitted in Phase II must include a balance sheet (pro-forma) for leasing and developing the property. This must include a summary of projected income and costs for the first 5-10 years of the operation of the lease along with a discussion of the economic assumptions upon which the projections are based. The summary must include an analysis of the annual minimum cash flow requirements for the applicant to break even.

4.3 Bid Deposit

Applicants in Phase II will be asked to submit a \$1000 bid deposit. An applicant selected to lease this state property may apply the bid deposit amount toward the cost of placing a tower on state land. If an applicant is not chosen by the DNRC the bid deposit will be refunded. An applicant who withdraws a proposal after being selected as the successful applicant for Phase III and beyond will forfeit that money and the DNRC will keep the bid deposit.

PHASE III

5. TECHNICAL PROPOSAL

Phase III must be completed and approved prior to issuance of a lease for wind energy development.

5.1 Project Description

Describe the project in greater detail. Describe the project's features and the work completed to date. Describe the wind data collection program for the site. Discuss how the long-term annual expected energy from the project would be established.

Indicate if requested information is not known. Include the following information (this list is indicative, not exhaustive):

- Project location. Provide a map showing the location of key sites for facilities.
- Project size in acreage. If the project can be expanded, please describe.
- Expected annual and monthly output (in megawatt-hours) of the facility. A graph showing monthly output is suggested.
- The make and model of wind turbines that will be used. If a final wind turbine selection has not been made, list the candidates under consideration.
- Where the facility will connect to a transmission system, and any new transmission facilities that will be required.
- The schedule for permitting and construction, and expected date of commercial operation.

5.2 Project Site and Expansion Potential

Describe the size of the wind power plant (number of units, nameplate capacity, and estimated annual output) to be installed as part of the proposed project. If additional wind turbines could be installed in the future, estimate the potential total installed nameplate capacity of wind turbines that could be installed at the site.

5.3 Site Control

Provide documentation of site control, including wind rights, access road, and transmission corridor easements needed to construct and operate the facility during the term of the power purchase agreement. An example of such documentation would be copies of lease agreements with landowners.

5.4 Project Output

Provide an estimate, in tabular form, of monthly and hourly project output in megawatt-hours. Provide this information separately as an Excel file. Describe how the estimate was derived.

5.5 Wind Resource

Describe the source and basis of the wind speed data used in the development of the proposal. Include the purpose and location of the data collection, period of record, levels of measurements and seasonal data recovery, and the organization responsible for the data collection.

5.6 Major Equipment

Describe the selection criteria and process that was used to select the wind turbine. Describe past operating experience, if any, with the selected turbine and manufacturer.

Provide technical specifications for the selected turbine.

Describe the other major wind plant components, such as towers, controllers, major electrical components, and software. Identify the suppliers and provide technical specifications.

Include the schedule for procurement and delivery of the turbines and other key components of the project in the schedule requested in [section 5.9](#).

5.7 Transmission Availability and Electrical Interconnection

Identify the expected interconnection point to the available transmission system. Discuss any new pole lines, line upgrades, switchyards and substation work required to complete the interconnection.

Discuss the distribution or transmission grid capacity at the interconnection now, after planned upgrade work, and then after the project is in full operation.

Provide copies of system impact studies, interconnection studies, and correspondence with appropriate Transmission Business Line related to the availability of transmission capacity and whether system upgrades will be needed to integrate the proposed wind project.

Discuss the availability of transformers and other long-lead electrical equipment that will be required to support the project.

Describe plans for metering the energy from the project.

Include the schedule for completing the expected electrical interconnection work in the schedule requested in [section 5.9](#).

5.8 Environmental Review, Key Permits

The respondent is responsible for securing the data and resources necessary to complete an Environmental Assessment (EA). Discuss known environmental issues relative to the development and operation of the project, including avian issues and baseline noise levels. If possible, provide a copy of an up-to-date listing of candidate, listed, and proposed endangered or

threatened species habitat in the proximity of the project. This listing can be obtained from the U.S. Fish and Wildlife Service.

Provide copies of any wildlife or other environmental studies that have been performed related to the project. If such studies are in progress, describe them and identify the person(s) or firm(s) doing the studies including name, title, address, telephone and fax numbers, and email.

Describe measures that will be taken to minimize the potential for avian mortality, noise, and visual impacts of the facility. The respondent is responsible for securing a study of avian impacts from the proposed wind farm.

Identify the key permits (such as a conditional use permit or site certificate) required to build and operate the project. Discuss their current status, the schedule for obtaining key permits and approvals, and the approach to be used. Include this schedule in the schedule requested in [section 5.9](#).

Outline the process you plan to follow to involve local residents in the planning/permit process.

5.9 Schedule

Show a schedule of tasks in a graphic form, such as a Gantt chart, detailing the length of time required for each task. Include the time lines requested in other sections of this Technical Proposal so that all schedules are together.

5.10 Additional Information

Provide additional information, with appropriate headings, that will help describe the project and plans.

6. FINAL PROJECT REQUIREMENTS

This RFP is directed at experienced wind project developers with demonstrated ability to design, construct, operate, and maintain large-scale wind energy facilities. Applicants must be able to obtain transmission rights, necessary road and utility easements, the lessee is responsible for the design, labor, materials, and equipment necessary to construct and operate the project.

Respondents must be able to obtain construction and long term project financing. Respondents will be responsible for a transmission study to determine if nearby transmission lines have the carrying capacity to accept and deliver energy generated from the wind project and costs associated with the preparation and completion of the environmental review under the Montana Environmental Policy Act (MEPA), see [section 6.3](#).

6.1 Project Design

The developer must design, engineer, procure, construct, install, and provide all support necessary to build a wind energy facility and deliver the output to an available transmission system. Developer obligations include but are not limited to:

- Securing all land rights, easements, and rights-of-way needed to construct and operate the facility.
- Obtaining or updating any permits or agreements required for the project, including any wheeling agreements necessary to deliver project output to existing transmission systems.
- Paying the costs for environmental impact mitigation, monitoring, and studies required for the project.
- Operating, maintaining, and decommissioning the facility, and the associated costs.

Wind turbines must be appropriate for utility-grade operations and designed to have an expected life commensurate with the term of the lease. Wind turbines must be procured from an established vendor of commercial wind turbines. Advanced wind turbine designs or important modifications to previous versions of the same turbine or auxiliary equipment components will be considered, provided other requirements of this RFP are met. However, field-testing of new turbine designs is not an objective of this RFP, and proven designs will be preferred.

Electrical equipment, metering, and interconnection facilities must be selected, installed, and maintained in accordance with prudent utility industry practices and must comply with further requirements as described in [section 5.7](#).

6.2 Interconnection to the Transmission Systems

Obtaining a system impact study to determine transmission availability and upgrades necessary to integrate the project is the responsibility of the project developer. A professional Transmission Services Associate should be contacted for information regarding the cost and time required for the system impact study.

Facilities necessary to deliver the output to the transmission line and the cost of hardware and engineering services needed to connect to the system are the responsibility of the project developer. The developer will need to request an interconnection study from the appropriate

owner of the Transmission Line. The Transmission Services Account Executive should be contacted for information regarding the cost and time required for the interconnection study.

6.3 Environmental and Permitting Considerations

MEPA requires state agencies to consider the environmental consequences of a major decision prior to making an irretrievable commitment of resources. It is expected that in nearly all cases an Environmental Assessment (EA) or Environmental Impact Statement (EIS) will need to be completed before making a decision whether to sign a lease agreement for a new wind power facility on state school trust land. The DNRC will have sole discretion to decide the level of environmental review required.

An EA with a finding of one or more significant impacts related to the proposal would automatically elevate the environmental review to an EIS.

An EA with no significant findings, referred to as a Finding of No Significant Impact (FONSI) in National Environmental Policy Act language, would mostly likely allow the project to proceed with only the EA level of environmental review.

Most power projects require an EIS.

The applicant will pay for the EA or EIS and will be expected to cooperate in the process.

Project design must incorporate state-of-the-art measures to minimize the potential for avian mortality, reduce noise, and minimize visual impacts of the facility. The project must incorporate and comply with mitigation measures identified in the EA or EIS.

If the project requires county or state permits, such as a conditional use permit or site certificate, the developer will be expected to obtain these permits and pay associated costs. Where applicable the EA or EIS can be used to satisfy county or state requirements.

6.4 DNRC Decision-Making Process

The DNRC will not make a final decision to proceed with the project until DNRC's decision maker signs a Record of Decision (ROD). A lease agreement could be executed immediately after issuance of the ROD.